

April 1, 2003

Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**JOINT RESOLUTION BETWEEN THE COUNTY OF LOS ANGELES AND THE CITY  
COUNCIL OF THE CITY OF SANTA CLARITA ACCEPTING THE NEGOTIATED  
EXCHANGE OF PROPERTY TAX REVENUE AS A RESULT OF THE PROPOSED  
ANNEXATION OF UNINCORPORATED LOS ANGELES COUNTY TERRITORY TO THE  
CITY OF SANTA CLARITA  
[TOWSLEY CANYON - ANNEXATION NO. 1989-01]  
(SUPERVISORIAL DISTRICT 5) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the attached Joint Resolution between your Board and the City Council of the City of Santa Clarita (City) based on the negotiated exchange of property tax revenue, as a result of the proposed annexation of approximately 60 acres in unincorporated Los Angeles County into the City's boundaries.
2. Authorize the Chief Administrative Officer to provide the Los Angeles Local Agency Formation Commission (LAFCO) written consent to waive the protest proceedings for the proposed annexation, pursuant to Section 56663(c)(2) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On January 28, 2003, the City Council of the City of Santa Clarita adopted the attached Joint Resolution approving the negotiated exchange of property tax revenue for the proposed annexation of unincorporated Los Angeles County territory into the City's legal boundaries. In order for LAFCO to proceed with the required hearings on the proposed annexation, your Board, as the governing body of the County, must also adopt the Joint Resolution.

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The purpose of the recommended waiver is to expedite the LAFCO process to consider the annexation for final approval. If all of the public agencies and the landowners involved in the process consent to the waiver, the need for a LAFCO protest hearing is eliminated and LAFCO may order the annexation at its first meeting.

### **FISCAL IMPACT/FINANCING**

The proposed Joint Resolution would reallocate a share (5.6340677 percent) of the Annual Tax Increment (ATI) attributable to the annexation area from the County to the City, commencing in Fiscal Year 2003-04. Based on the current valuation of the proposed annexation area, there is no base transfer of property taxes between the County and the City. The property is currently exempt from being valued for purposes of ad valorem property tax, since it is owned by the City of Santa Clarita. However, a share of the ATI is reallocated to the City in the event that the current land ownership designation in the annexation area should change to a private use.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to Part 3, Division 3, Title 5 of the California Government Code, commencing with Section 56000, the City filed its application with LAFCO on March 12, 2002 to initiate proceedings for annexation and concurrent sphere of influence amendment of approximately 60 acres of uninhabited territory. The proposed annexation area is owned by the City of Santa Clarita and is designated for park and open space use. The proposed annexation area is located southwest of the City, west of the Golden State Freeway (Interstate 5) and west of Calgrove Boulevard. The proposed annexation will require LAFCO to concurrently approve an amendment to the City's sphere of influence.

Section 99 of the Revenue and Taxation Code requires that prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service area or service responsibilities will be altered by such change must negotiate a reallocation of property tax revenue between the affected agencies, and approve and accept such reallocation by resolution.

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Adoption of the Resolution by your Board will allow LAFCO to schedule the required public hearing to consider testimony on the proposed annexation. LAFCO will subsequently take action to approve, approve with changes, or disapprove the proposal.

Pursuant to Section 56663(c), LAFCO may waive protest proceedings if (1) the proposed territory is uninhabited, (2) the affected agencies that will gain or lose territory as a result of the change of organization or reorganization have consented in writing to a waiver of protest proceedings, and (3) the affected owners of land have also agreed to the waiver. The territory proposed for annexation to the City is uninhabited. The City, as the land owner, has provided LAFCO with consent to waive the protest proceedings. Upon your Board's authorization, the Chief Administrative Officer will provide LAFCO with a similar waiver.

The Joint Resolution has been approved as to form by County Counsel.

### **CONCLUSION**

At such time as the recommendation is approved by your Board, please return one copy of this letter and three signed originals of the Resolution to LAFCO, one copy of this letter and one signed original of the Resolution to the Chief Administrative Office, Office of Unincorporated Area Services and Special Projects, and one copy of the letter and Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:LS  
DD:MJS:os

Attachment

**JOINT RESOLUTION OF  
THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES  
AND THE CITY COUNCIL OF THE CITY OF SANTA CLARITA  
APPROVING AND ACCEPTING  
THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE RESULTING FROM THE  
ANNEXATION OF TOWSLEY CANYON (ANNEXATION 1989-01) TO THE CITY OF SANTA  
CLARITA AND DETACHMENT FROM COUNTY ROAD DISTRICT NO. 5**

**WHEREAS**, pursuant to Section 99 of the Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of an affected County and City shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies; and

**WHEREAS**, the area proposed for annexation identified as Towsley Canyon, "Annexation 1989-01" consists of approximately 60 acres of designated open space land owned by the City of Santa Clarita;

**WHEREAS**, the Board of Supervisors of the County of Los Angeles, as governing body of the County and County Road District No. 5, and the City Council of the City of Santa Clarita have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation of unincorporated territory identified as Towsley Canyon "Annexation 1989-01" to the City of Santa Clarita and detachment from Road District No. 5, is as set forth below.

**NOW, THEREFORE, BE IT RESOLVED** as follows:

1. The negotiated exchange of property tax revenue between the County of Los Angeles and the City of Santa Clarita resulting from "Annexation 1989-01" is approved and accepted.

2. For fiscal years commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, Zero Dollars (\$0) shall be transferred from the County of Los Angeles to the City of Santa Clarita. In addition, for each fiscal year commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, .056340677 percent of the annual property tax growth attributable to "Annexation No. 1989-01" shall be transferred from the County of Los Angeles to the City of Santa Clarita, and that the County's share of incremental growth in the annexed area shall be reduced accordingly.

3. For fiscal years commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, the annual property tax increment received by County Road District No. 5 attributable Annexation No.1989-01 shall be transferred to the County.

4. In the event that all or a portion of the annexation area is included within a redevelopment project pursuant to California Community Redevelopment Law, Health & Safety Code Sections 33000 et seq., the City of Santa Clarita shall not adopt the ordinance approving the redevelopment plan with respect to the annexed area until such time as the Redevelopment Agency of the City of Santa Clarita has diligently and in good faith complied with all applicable provisions of the California Community Redevelopment Law, including but not limited to, Health

& Safety Code Section 33670 or any other relevant provision of the law. Any ordinance approving a redevelopment project which does not comply with this paragraph shall be void and of no effect with regard to the subsequent allocation and distribution of taxes to the Redevelopment Agency.

PASSED, APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2003 by the following vote:

AYES: ABSENT:

NOES: ABSTAIN:

\_\_\_\_\_  
Mayor, City of Santa Clarita

ATTEST:

\_\_\_\_\_  
City Clerk

The foregoing resolution was on the \_\_\_\_\_ day of \_\_\_\_\_, 2003, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS, Executive Officer  
Clerk of the Board of Supervisors  
Of the County of Los Angeles

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM  
BY COUNTY COUNSEL

LLOYD W. PELLMAN

By \_\_\_\_\_  
Thomas J. Faughnan, Deputy